

# Building Trust in Globally Distributed Teams

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## INTRODUCTION

Smith and Blanck (2002) claim that “an effective team depends on open, effective communication, which in turn depends on trust among members. Thus, trust is the foundation, but it is also the very quality that is most difficult to build at a distance” (p.294). Trust is “the willingness of one person or group to relate to another in the belief that the other’s action will be beneficial rather than detrimental, even though this cannot be guaranteed” (Child, 2001, p.275).

Trust is widely recognized as crucial for the success of the collaboration and completion of globally distributed team projects (Jarvenpaa et al., 1998; Rousseau et al., 1998; Jarvenpaa & Leidner, 1999; Child, 2001; Holton, 2001; Evaristo, 2003; Kotlarsky & Oshri, 2005). However, developing trust in global teams often presents significant challenges because it is difficult to assess teammates’ trustworthiness without ever having met them (McDonough et al., 1999; Powell et al., 2004).

Globally distributed teams consist of professionals working together from different geographical locations to accomplish joint goals. In addition to geographical dispersion, globally distributed teams<sup>1</sup> face time-zone and cultural differences such as different language, national traditions, values, and norms of behavior (Carmel, 1999). Virtual team members rely strongly on ICT-based communications. They often have no prior history of working together and rarely have face-to-face interactions (Zakaria et al., 2004).

Irrespective of the advanced technologies that are in place, trust is the main factor that can prevent the transformation of geographical and organizational distances to psychological distances (i.e., individuals experiencing their counterparts as strangers) (Snow et al., 1996).

In this article, trust-building in globally distributed teams will be explored. First, some definitions of the key concepts and types of trust will be provided and a review of recent discussions in the literature will be presented. Following this, a discussion about trust-building in globally distributed teams will be developed. Lastly, future research in this area will be suggested and conclusions offered.

## BACKGROUND

Trust denotes the collaborative dynamic of a learning organisation (Handy, 1995). Several researchers have studied this concept and obtained various definitions and influences of trust:

- It is a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviour of another (Rousseau et al., 1998).
- The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party (Mayer et al., 1995).
- Having sufficient confidence in a partner to commit valuable resources, such as finance and know-how, to collaboration with that partner, despite the risk that the latter may take advantage of this commitment (Child, 2001).

According to Jarvenpaa et al. (1998), trust is a “dyadic relationship” involving the trustee’s perceived ability, benevolence and integrity and the trustor’s propensity to trust. *Ability* is defined as the acquired

skills that make a trustee competent in the eyes of the team. *Benevolence* is the willingness to do good to the trustor without having ulterior motives. Integrity is the dependability the trustor feels towards the trustee as a consequence of adherence to a set of principles. The trustor's propensity to trust is the expectation that the trustor has about the trustworthiness of the trustee. Dirks and Ferrin (2001) propose that trust can affect how individuals measure the future behaviours of their team members or can affect how individuals construe past or present actions of the same members. Adding to this, Evaristo (2003) suggests that trust in past, present and future actions can "reduce some of the uncertainties or ambiguities in relationships".

The benefits of trust as outlined by Child (2001) are:

- Members are willing to overcome cultural barriers and put in efforts to eliminate difficulties that arise in collaboration.
- Members can handle uncertain situations far better when there is trust involved; they are able to adapt to unforeseen circumstances quicker and with fewer conflicts.
- Trust provides an alternative to the de-motivating impact of control.
- It encourages the open exchange of ideas that lead to innovation in product development.

Different types of trust have been identified in the literature. We will focus on those appropriate to virtual environments:

1. **Swift trust** is a fragile form of trust that emerges quickly, has a temporary lifespan and is most common in virtual teams. The concept of "swift trust", developed by Meyerson et al. (1996), is used for temporary teams whose experiences are formed around a common task for completion of which the team was formed (Jarvenpaa & Leidner, 1999). Swift trust is based on the fact that team members in virtual settings do not have the time or facilities to develop trust in a traditional manner. Instead, team members base their expectations of developing trust on stereotypical impressions from others in their previous experiences from other settings. Swift trust allows members to perform actions that will help them maintain trust in addition to dealing with uncertainty, ambiguity and vulnerability (Jarvenpaa et al., 1998; see Figure 1). Swift trust requires clear role divisions between team members and a well-defined area of specialty for each expert involved. Inconsistent role behaviour or unclear roles will wear swift trust away.
2. **Characteristic-based trust** is based on attributes (characteristics) identified in the other party (e.g., ethnic group, religious affiliation, age and/or role in an organisation) (Zucker, 1986; Husted, 1998). This type of trust is related to identification-based trust in those cases when people trust somebody because they share some characteristics (e.g., same cultural background, similar family situation or similar position within organisation). This trustworthiness between individuals is based on the belief that the parties also share the same values (Husted, 1998). This type of trust develops through personal interactions when the personal characteristics of an individual can be observed (e.g., during face-to-face meetings, formal or informal) or when background information about individuals is posted on an intranet or shared through informal communications. Compared to swift trust, characteristic-based trust is more reliable, as it is based on a variety of personal characteristics identified in a specific individual (rather than other individuals from previous experiences, as in swift trust). Yet, learning about the "characteristics" of an individual can be influenced by bias, as individuals may create an image of themselves that hide some characteristics, something that is easier to achieve in settings that offer limited face-to-face meetings such as globally distributed teams.
3. **Knowledge-based trust** deals with the ability to predict the behaviour of the trustee based on prior performance (Husted, 1998). It relies on mutual confidence on the basis of mutual knowledge and common experience (Child, 2001) accumulated through various repeated interactions (a history of events) that occur between individuals or teams (Zucker, 1986; Husted, 1998). Ability to predict behaviour often requires understanding cultural elements such as common values and beliefs (Hofstede, 1993) and, therefore, might be more difficult to achieve in globally distributed teams that involve individuals with different cultural backgrounds.

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